

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 65th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Vice Chair Flynn, on March 21, 2017 at 8:00 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Kelly Flynn, Vice Chair (R)
Rep. Tom Jacobson, Vice Chair (D)
Rep. Kim Abbott (D)
Rep. Becky Beard (R)
Rep. Zach Brown (D)
Rep. Mary Ann Dunwell (D)
Rep. Dave Fern (D)
Rep. Wylie Galt (R)
Rep. Adam Hertz (R)
Rep. Steve Lavin (R)
Rep. James O'Hara (R)
Rep. Alan Redfield (R)
Rep. Bridget Smith (D)
Rep. Tom Welch (R)
Rep. Kerry White (R)

Members Excused:

Rep. Jeff Essmann, Chair (R)
Rep. Ron Ehli (R)
Rep. Jim Hamilton (D)
Rep. Greg Hertz (R)
Rep. George G. Kipp III (D)

Members Absent: None

Staff Present: Margot Miltenberger, Committee Secretary
Megan Moore, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 579, 3/13/2017; HB 583, 3/13/2017; HJ 18, 3/13/2017; HB 588, 3/15/2017; SB 180, 3/15/2017

HEARING ON SB 180

Opening Statement by Sponsor:

00:01:33 Sen. Mike Lang (R), SD 17, opened the hearing on SB 180, Revise laws regarding taxation of certain airlines.

Proponents:

00:04:01 Bob Gilbert, Montana Aviation Trades Association
00:04:31 Debbie Alke, Department of Transportation (MDT)
00:04:51 Mike Petrik, Richland Aviation
00:10:28 Mark Taylor, Alpine Air Express

EXHIBIT(tah58a01)

00:11:58 Bob Story, Montana Taxpayers Association (Montax)

Opponents: None

Informational Witnesses:

00:12:44 Director Mike Kadas, Department of Revenue (DOR)

00:14:10 Rep. Kipp III joined the meeting

Questions from Committee Members and Responses:

00:14:52 Rep. Dunwell
00:15:35 Director Mike Kadas, DOR
00:15:53 Rep. Redfield
00:16:10 Mike Petrik, Richland Aviation

Closing by Sponsor:

00:16:28 Sen. Lang

HEARING ON HJ 18

Opening Statement by Sponsor:

00:17:35 Rep. Adam Hertz (R), HD 96, opened the hearing on HJ 18, Legislative interim study on tax increment financing.

Proponents:

00:18:26 Tim Burton, Montana League of Cities and Towns (MLCT)
00:18:57 Kevin Olsen, Self
00:22:00 Abigail St. Lawrence, Montana Building Industry Association (MBIA)

Opponents: None

Informational Witnesses:

00:23:27 Alyssa Sorenson, Legislative Audit Division (LAD)

Questions from Committee Members and Responses:

00:23:57 Rep. Dunwell
00:25:10 Alyssa Sorenson, LAD

Closing by Sponsor:

00:26:27 Rep. A. Hertz

HEARING ON HB 588

Opening Statement by Sponsor:

00:27:12 Rep. Adam Hertz (R), HD 96, opened the hearing on HB 588, Provide income taxpayers with an opportunity for a fresh start.

[EXHIBIT\(tah58a02\)](#)

[EXHIBIT\(tah58a03\)](#)

Proponents:

00:36:59 George S. Olsen, Montana Society of CPAs (MTCPA)

00:37:20 Rep. G. Hertz joined the meeting

00:44:17 Beth Hayes, Montana Legal Services Association (MLSA)

[EXHIBIT\(tah58a04\)](#)

00:49:06 Chair Essmann joined the meeting

00:49:22 Jim Nolan, Human Resource Development Council (HRDC)

00:50:38 Bob Story, Montana Taxpayers Association (Montax)

Opponents:

00:51:13 Director Mike Kadas, Department of Revenue (DOR)

[EXHIBIT\(tah58a05\)](#)

Informational Witnesses: None

00:57:02 Gary Mariegard, Self (late proponent)

Questions from Committee Members and Responses:

01:03:37 Rep. Fern

01:04:33 Rep. A. Hertz

01:05:36 Rep. White

01:07:55 Rep. A. Hertz

01:08:19 Rep. Beard

01:09:27 Tammie Chenoweth, Department of Revenue (DOR)

01:09:42 Steve Austin, Department of Revenue (DOR)

01:11:30 Rep. Beard

01:12:10 Steve Austin, DOR

01:13:04 Rep. Jacobson

01:14:22 Rep. A. Hertz

01:14:33 Rep. Dunwell

01:16:03 Rep. A. Hertz

Closing by Sponsor:

01:16:54 Rep. A. Hertz

HEARING ON HB 579**Opening Statement by Sponsor:**

01:18:35 Rep. Greg Hertz (R), HD 12, opened the hearing on HB 579, Referendum allowing counties to mill for local infrastructure projects.

EXHIBIT(tah58a06)

Proponents: None

Opponents:

01:27:48 Eric Feaver, MEA-MFT
01:32:14 Lance Melton, Montana School Boards Association (MTSBA)
01:34:19 Kirk Miller, School Administrators of Montana (SAM)
01:38:04 Dianne Burke, Montana Quality Education Coalition (MQEC)
01:39:03 Director Mike Kadas, Department of Revenue (DOR)
01:45:22 Bob Story, Montana Taxpayers Association (Montax)
01:49:10 Kevin Olsen, Self
01:51:25 Heather O'Loughlin, Montana Budget and Policy Center (MBPC)

Informational Witnesses: None

Questions from Committee Members and Responses:

01:52:08 Rep. A. Hertz
01:53:59 Director Mike Kadas, DOR
01:54:54 Rep. A. Hertz
01:56:01 Rep. G. Hertz
01:59:21 Rep. Fern
02:00:05 Rep. G. Hertz
02:00:30 Rep. Fern
02:01:16 Director Mike Kadas, DOR
02:03:47 Rep. Beard
02:05:49 Rep. G. Hertz
02:06:43 Rep. White
02:09:41 Rep. G. Hertz
02:10:44 Rep. A. Hertz
02:11:28 Director Mike Kadas, DOR
02:11:38 Rep. Essmann
02:13:02 Rep. G. Hertz

Closing by Sponsor:

02:13:36 Rep. G. Hertz

02:15:58 Recessed
02:27:13 Reconvened

HEARING ON HB 583**Opening Statement by Sponsor:**

02:27:40 Rep. Kerry White (R), HD 64, opened the hearing on HB 583, Revise property taxes for forest land with residential or commercial use.

Proponents:

02:30:32 Gordy Conn, Department of Revenue (DOR)

Opponents: None

Informational Witnesses:

02:31:55 Bob Story, Montana Taxpayers Association (Montax)

Questions from Committee Members and Responses:

02:33:35 Rep. Essmann

02:35:06 Rep. White

02:36:18 Rep. Essmann

02:36:39 Rocky Haralson, Department of Revenue (DOR)

Closing by Sponsor:

02:38:01 Rep. White

ADJOURNMENT

Adjournment: 02:45:21

Margot Miltenberger, Secretary

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Additional Documents:

EXHIBIT([tah58aad.pdf](#))